



TALES OF BREXITS PAST AND PRESENT

*Understanding the Choices,
Threats and Opportunities In
Our Separation from the EU*

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Introduction

*Every act of rebellion expresses a nostalgia for innocence
and an appeal to the essence of being.*

Camus (1956)

Brexit, which for some is a rebellion against globalism, European and domestic political orders and the establishment, is equally, for many a desire for a return to a world of certainties; whilst for others it's an expression of hope for improvement with a leap into an unknown future. Both sentiments convey a feeling that something in society is broken and needs fixing, a feeling that has grown significantly since the 2008 Financial Crisis.

Today's society is fluid in how groups both form and dissolve. Social and broadcast media, advertising and many other influences lead to rapid formation and dissolution of social groups. Equally in the Brexit context, both groups – Leave and Remain – feel their group and therefore their nation will “win” if their policies are followed. Leavers were told it is possible to leave without a cost but with significant longer-term rewards; and, Remainers were told, Leave will come with substantial costs and few, if any rewards.

This book is about teasing out the strategies and actions that deliver hopes for economic improvements, realise sustainable social balance and where possible avoid either social or disruption costs. The implicit assumption in this approach is that “Take Control” should not mean “Create Chaos”. In doing this we draw upon three underlying threads.

First is the need to understand why people who voted “Leave” did so; the juxtaposition of which is what do they want to change to make their lives better? Second, we look to unpack experiences from the past and see what we can learn from the successes, failures, strategies and choices made in previous historical Brexits and thirdly we pose the question what must change if Leave aspirations are to be realised? In the third part our comments are not restricted to Brexit, but rather look at how the UK can build a competitive edge in today's unstable world.

How Insights from the Past Can Help Us Today

This is not the first time in history this split from Europe has happened. There have been previous Brexits, for example the end of Roman Britain, the Henrician Reformation and the Elizabethan Settlement. If we look at the ruptures following the break with Rome in the 1530s we see sharp divides between Catholics and Protestants, some of which persist. With such current division, what then can we learn from these previous Brexits?

Brexit I: The End of Roman Britain – Economic and Political Brexit

Arguably, the Roman Empire was the first “European Union” with a Single Market and borderless trade stretching from Hadrian's Wall in Britannia to the Eastern Empire and Constantinople, Near and Middle East. Britannia's AD 410 break from the Roman Empire is despite considerable recent archaeology, previous antiquarian studies and much writing over the ages still “opaque” in the precise narrative of events, a bit hazy on the timing (approx. AD408 or AD410) and unclear in its exact impacts over time.

Following on from previous disturbances and a tendency for the elite to move from living in towns to living on country estates, this first Brexit was triggered by the Emperor's removal of the Imperial Army from Britannia in AD 408, due to a pressing need to suppress the Gauls. It had happened before, but this time round it coincided with a cessation of tax payments to Rome by Britannia. One can imagine the sentiment "why pay for something if I have no benefit, better I organise it myself" building in some early 5th Century form of a "Taxpayers Alliance"!

Ceasing to pay taxes had indirect and no doubt unexpected consequences. Tax payments needed to be made in Roman Coin, and without them all shipments of Coinage largely ceased to Britannia after about AD411. Without coinage complex supply chains started to fail and over time for urban conurbations there was an economic and political decline.

Despite archaeological finds such as Sutton Hoo, and the writings of Bede, for the common urban dweller Britannia slipped from being a rich urbanised Province of Rome into a rural peasant based Dark Age. Whilst every town was different, in general such settlements fell into disrepair (later revitalised in Anglo-Saxon years), the monetary economy collapsed and markets that enabled trade that impacted the ordinary person both disappeared (although evidence of much more limited high value imports at a slightly later time exists). This Brexit, typified by an interruption to the monetary economy and collapse of complex supply chains was bad news for towns and industry but good news for agricultural economies based around gentry held rural estates.

Brexit II: Henry VIII's Legal Brexit

We move on to our second Brexit. In the 1530s Henry VIII via his Chief Minister Thomas Cromwell executed a "Legal" Brexit that separated the English State from the clasps of Rome, notwithstanding that Henry's Brexit was one immediate result of Henry's need to divorce his current wife. This rupture in relations with Europe was also associated with a "Renaissance" desire to promote the "nation state" and in particular the "English" nation state, and the ever present need to fill the National Treasury. Despite the 1393 Statute of Praemunire that allowed the King to block church courts in the event of a clash between Church and State, prior to the break accepted legal practice required ecclesiastical court as a matter specifically reserved for church courts. Often as in the EU today, contentious issues were resolved by carefully crafted "fudges". Henry VIII was unfortunate that some of the usual flexibility to solve delicate issues such as this was not available as the opportunity to apply the politics of "fudge" to solve the divorce issue was constrained by the 1527 Sacking of Rome by Hapsburg troops loyal to Holy Roman Emperor Charles V nephew of the wife Henry VIII was keen to divorce, Catherine of Aragon.

Henry VIII decided to force matters after Anne Boleyn became pregnant in late 1532. Thomas Cromwell was instructed to drive a series of bills through Parliament, thereby enabling the divorce, changing the Royal Succession – to reflect the new state of affairs – broke with the Rome Church, and its Ecclesiastical courts and sequestrated church assets to bolster the King's Treasury. As the legislation progressed towards the end of 1533 Cromwell started to organise an anti-papal campaign to stir passions to engender support for the legislation

Legislatively successful it is striking how these reforms unsettled both Gentry and Peasants and eventually grew into the 1536 Pilgrimage of Grace insurrection. This revolt across Northern England caused Henry considerable concern, sufficient for Henry personally to take a personal

role in quelling it. Overall, one is left with an impression that despite legal success, the changes of the 1530s had not bedded down in the country. There was alienation from the political elite in London, unrest due challenging economic circumstances for peasants, dissatisfaction with taxes, a fear of losing the past and fear that local welfare for the poor was being dismantled.

Brexit III: Elizabeth's Mercantilist Brexit

After the death of Henry VIII in 1547, his 10-year-old son Edward VI succeeded the throne, and England was governed by a Regency Council pending the young king coming of age. This Council became deeply unpopular due to its religious, enclosure and debasement policies and led to revolt. The rebellions of 1548 and 1549 (the Western and the Kett's revolts) were especially seriousⁱ. Although suppressed, unrest across Britain continued into Mary I reign with Wyatt's rebellion of 1554 against the Queen marrying Philip II King of Spain. Political unrest was combined with economic difficulty as there were falls in real wages and inflation associated with the Great Debasement of the coinage (1544 – 1551). Added to this there was instability in religions as Edward VI's government followed a strongly Protestant policy to be succeeded by Mary I who banished the Protestants and reverted England to Roman Catholicism.

Following such turbulence, Elizabeth I, not surprisingly faced considerable challenges upon her accession to the English Crown in 1558. England had been through over 20 years of deep change following her exit from the European Catholic System in the 1530s to be then reintegrated into the same system by Mary I. There had been revolts from both gentry and peasants, falling real wages, a huge debasement of the coinage and so on and so forth.

Against this background of continual turmoil, Elizabeth was to execute yet another Brexit in early 1559 as she had Parliament enacted the "Act of Uniformity" and the "Act of Supremacy" that represent the "Elizabethan Reformation". In an early display of pragmatism, the Queen was able to avoid excommunication by the hard-line Pope Paul IV, an act that would have undoubtedly inflamed domestic Catholic opinion. In tandem, she avoided war with her European neighbours and she successfully stabilised her succession.

Elizabeth's Brexit is typified by pragmatism and a reliance on trusted relationships to enforce a separation from Europe that was more distinct and certainly far longer lasting than that of her father Henry VIII. At the same time, she was able to maintain England's economic access to continental and especially the all-important wool export market. Notwithstanding continued challenges to real wages for agricultural labourers her reign delivered economic improvement including the nascent growth of some important industries and improvements in supply chains across England and Wales to support the increasing urban importance of London. The trade deficit was eliminated, the national debt repaid (albeit repayment came from plundering the Spanish Main) and a process of diplomatic and commercial expansion into exotic lands of the east set in process. Elizabeth's Brexit was more than a reordering of relations with Europe, rather it was an opening to an internationalist, entrepreneurial, buccaneering and mercantilist age.

The Need for Entrepreneurial Exceptionalism

If part of Elizabeth I's success came from some of the colourful adventuring and entrepreneurial characters around her, the need for risk taking entrepreneurs to innovate new products and markets remains just as relevant today. Nostalgia and hope for improved economic circumstances are key aspirations of the Leave voter, but these aspirations need to be realised in a world where many of yesterday's certainties seem to rapidly become today's unknownsⁱⁱ.

The UK today faces a rapidly evolving world. Change is everywhere and in almost everything, technical change, economic change, political change and social change. Many of today's key technologies were figments of public imagination 20 years ago. Who in 1989 when the Berlin Wall fell could have imagined that the world in 2018 could be facing a global trade war, that Donald Trump would be US President? Who could have conceived in 1990 that so much human interaction could now occur on social media?

In 1989 China had yet to emerge as one of the “workshops of the world”, the globe's second economic and an increasingly assertive global power. Even in 1999 under 20 years ago there had been no Western Financial crisis in living memory, there had been no second Iraq war, no 9/11, the Good Friday peace deal was just being sealed and Russia was still enmeshed in the chaos of the Yeltsin years. Germany was still reunifying; the Euro was yet to happen and the Lisbon Treaty had not even been thought of. We lived in a mono power world with a single global power – the United States.

With each event such as 9/11, the second Iraq war, the 2008 Global Financial Crisis, the rise of China, the re-emergence of Russia and so much more, old certainties died. If geo-politics have changed, who could have imagined how technological change brought about through smartphones, social media (from Facebook to WeChat) and E-commerce has impacted on our world? The digitalization of so many products and services have transformed consumer habits and buying patterns. High streets are increasingly threatened by moves to on-line purchasing at the same time as complex supply chains ripple across the world moving jobs, incomes and investments around countries and continents. We live in a world of uncertainty and change. There is every reason to suspect that this change will continue and possibly accelerate.

Economic success and economic well-being mean that we must keep up with and adapt to each and every trend. In this context, the pressing question now is, if and how, can we turn Brexit into an opportunity for the UK to lead and succeed in this state of global flux. Success comes from actions taken by individuals. Creating new products, markets and services that address changed circumstances is the life blood of opportunity seeking entrepreneurs. Perhaps then the key ingredient for the UK's future prospects will be in building, supporting, affirming and unlocking UK entrepreneurial exceptionalism.

Success Heals Division

As we navigate our way through previous Brexits to see what insights they can give us, and as we explore how the UK can lead the way in such a rapidly changing world, for many there may be a sense of De Ja Vue. One question that may present itself is how can we avoid the current “Leave vs Remain” and “Old vs Young” divides becoming as deep and bitter as the Catholic vs Protestant divides that developed from the 16th Century?

Perhaps the best chance of healing these divides can come from generating success and making sure the rewards of success are shared across those who create it and contribute to itⁱⁱⁱ. Finding the right formula to develop and build the UK's entrepreneurial capability to innovate, create world beating new products and navigate the Brexit obstacle course will be key to enabling this success. The good news is there are always entrepreneurs waiting in the wings, who can provide solutions just when they are needed. The perennial question is, will we be smart enough to recognise and listen to that entrepreneur and support them?

In 1564, England faced economic calamity as Margaret of Parma, Catholic Regent of the Netherlands closed the Antwerp wool market to English wool (the Antwerp handled the bulk of English exports at that time) on the pretence of plague in London. Relief was at hand as canny entrepreneur George Needham had already built relations with an alternative market location in Emden and he had good relations at Court^{iv}. The English sold their wool in Emden and Antwerp reopened. English entrepreneurial exceptionalism had outwitted Hapsburg centralism. Could the current tussle over UK participation in the European Single Market be an echo of Margaret's earlier policy?

As we embark on our journey through previous Brexits, the first half of the book is structured as a journey through a museum of historical Brexit, where each hall holds a separate Brexit and there is final hall with a summary of where things are today. Following in the footsteps of 19th Century composer Modest Mussorgsky we have animated this journey with a number of "Promenade's" as we walk from one hall to the next.

Each Promenade is designed to hold certain aspects of the "essence" of our journey. Collectively the Promenades form a detailed introduction to the later chapters, which in turn seek to "star gaze" and seek to plot a path towards a to future economic success and associated social healings onto our blank canvas. So, in the second half of the book we enter an artist's studio – where we come to understand the pictures, their brush strokes and textures and other attributes to help us pose the question in our final chapter, which Brexit will it be this time?

Chapter 1 Motivation, Myth and Reality

“Whatever your views on the Brexit debate... the monopoly of the EU membership model has now been shattered. The story behind this remarkable swerve now forms a part of our nation’s tale. It slots into a thread on sovereignty stretching back through the breaking of the line at Trafalgar or the fireships at Calais; or in less incendiary terms, via our founding role in EFTA, the volumes of Adam Smith and the Statute of Praemunire. Our country[’s] ... history is also that of an ancient nation state; one with a profound sense of the limitations of its institutions that was already considered shocking by its Capetian and Valois counterparts.” (Rotherham, 2018)

On 11 April 2018, a UK Museum of Sovereignty^v was announced to celebrate British Exceptionalism. In view of the geographic distribution of the “2016 UK Referendum” with majorities to leave in both England and Wales, should we perhaps say, “English and Welsh Exceptionalism”^{vi}? This impression of “identity voting” was underpinned by the 2016 Annual Social attitudes survey that interviewed Brexit Leavers and found that a sense of “national identity” coupled with a firm set of social attitudes characterised the typical “Leave Voter”^{vii}. Complimentary analysis of the polling results found discovered that age and home ownership were especially important in determining a disposition to vote leave^{viii} with older home owners (and social housing tenants) more likely to “vote leave”.

For some when that think of an individual Brexiteer, they may conjure up one of two mental images. First someone from England who is perhaps older, maybe a pensioner, who has done well financially over the past forty years. They own a property that has been appreciating in value and, are secure in their mind that this nest egg will maintain its value. (S)he also feels the world has drifted away from some “core values” of English civility, towards a bureaucratic state driven by European red tape; they are deeply uncomfortable with the idea that unlimited immigration and sense that “terrorist” human rights are prioritised at the expense of the indigenous population. Secure in their mortgage-free home, with a defined benefit occupational pension, a triple locked state pension and free health care it is very hard to see how any Brexit Shock could hurt them. According to^{ix} voters from social classes A, B and C1 amounted to 59% of the Leave vote, which suggests that almost two thirds of our Leave voters fit our first mental picture.

A second impression that some Leave Voters could be as a member of the “Left Behind”, often white working class, maybe at the lower end of school academic attainment, lacking further education perhaps younger rather than retired. This is someone who faces challenges in the labour market and following the 2008 Global Crash has found it difficult to join the housing ladder. This group blame immigration for depriving them of their “natural rights” to housing and employment. One core part of this group, represents some 12% of the population of which 95% voted leave^x, is also likely to be fiercely nationalistic, often passionate followers of the English Football team, readers of a “red top” tabloid such as the “Sun” or, if aspiring possibly the *Daily Mail*^{xi}. The whole “Left Behind” group is elsewhere estimated at 21% of the overall Leave Vote^{xii}.

We are told that UKIP (and by extension “Leave” supporters) are more likely to be older, working class, male and white. Prior to the referendum, some pensioners might have seen UKIP as a refuge from a society where social change was undermining the key characteristics of traditional “Englishness”, a group rooted in a nostalgic idea of a “Great” Britain with an Empire compounding feelings amongst poorly qualified members of the working class of being “Left Behind”^{xiii}.

In Eric Kaufmann's 2016 blog, "It's NOT the economy, stupid: Brexit as a story of personal values," the author argued that voting Leave in the Referendum was all about expressing "national identity," citing a preference for the death penalty and a fear of immigration as pointers towards having a predisposition to Vote Leave^{xiv}. As part of the Economic Social Research Council's, "UK in a Changing Europe" programme a study on pre-referendum voter attitude data^{xv} painted a picture of a nation regarding the EU as bent on eroding Sovereignty, enabling terrorism, destabilising peace in Europe and undermining local society. 47% of the prospective voters viewed the EU as encouraging terrorism, whilst 28% did not. The same number (28%) saw the EU as positive for sovereignty and 51% as negative. Could it be that Leave Supporters feel they are protecting their country against foreign forces, giving them a clear, collective, historically rooted and determinate identity?

The "Englishness" and to a lesser extent "Welshness" (England and Wales both voted to Leave) contrast with Scotland and Northern Ireland's majority vote to Remain (Electoral Commission, 2016). In this context, we suggest for many, a vote to leave the EU was synonymous with a passion to "Save England". Perhaps this "nationalistic sentiment" helps explain how two surveys can contradict each other on the importance of immigration as a driver to this group. In a British Social Attitudes Survey^{xvi} study^{xvii} find a clear relationship between a fear of immigration and a disposition to "Vote Leave" whilst in a specific study of Referendum voter behaviour, immigration is nowhere near so distinct in its association with a vote to Leave^{xviii}.

Could this be a desire for a distinct "English National" identity which has in some ways emerged in response to both the devolution of power to Scotland and Wales and the receipt of EU laws from Brussels? In this narrative, the reassertion of an English National Identity has for some become the dominant theme, notwithstanding previous primary identities that may have economic capability or class status. This "English National Identity" aligns to the feeling of English Exceptionalism we mentioned earlier^{xix}. Perhaps a Leave vote was felt by many to be a patriotic imperative on a par with standing firm at Dunkirk, Waterloo and Trafalgar. In such circumstances, could a leave voter perhaps be seen as rooted in "English Exceptionalism" such as we describe in **Box 1.1** below.

Box 1.1 English Exceptionalism Over the Ages

The concept of English Exceptionalism draws upon thinking that developed in late 16th Century English post Reformation Society. Starting in 1610 with the publication of William Camden's "Britannica," which focused almost entirely on England and Wales, there is an expression of the English nobility as the cultural heirs to the Roman Empire.

"[Britain] is certainly the masterpiece of nature performed when she was in her best and gayest humour... I need not enlarge upon its inhabitants nor extol the vigour and firmness of their constitution, the inoffensiveness of their humour, their civility to all men, and their courage and bravery, so often both at home and abroad, and not unknown to the remotest corner of the earth."^{xx}

Camden focused on links to Roman Britain, one deepened and extended by Antiquarian William Stuckley

"They are cursuses of the antient Britons, long before the Romans came hither. I mean the first aborigines Brittons in heroic ages, when the Druids first began; before the Gaulish nations came over, somewhat above Csesar's time; those Brittons that made the mighty works of Abury, Stonehenge, andc." W Stuckley 1 Sep 1736^{xxi}

Stuckley mirrors Camden's journeys through the counties of England unearthed as he finds and describes relics from Roman and earlier times and his narrative extends Camden as he suggests that the English noble man is the natural heir of Roman Civilisation, a transformation made possible through the subjugation of the children of English Chieftains' to Roman Rule.

Well connected and a respected authority on English Antiquity, it is not difficult to see how the ideas of Stuckley (and others around him) became an undercurrent of English Tory and Whigg thought.

Neither is it difficult to find echoes of this "Heroic Englishman" narrative in today's Brexit pleas to recapture sovereignty.

There is evidence that Leavers may have been searching for a party that would represent their views. The UKIP tribe in 2015 may well have been Labour voters in 2005, migrating to the Conservatives in 2010, before arriving at the doors of UKIP in 2015. Such voters include a significant cohort of small business people and self-employed, and aspiring lower middle-class voters in junior supervisory positions. In all cases there is some suggestion that the media or the "oxygen" of publicity" has had significant impact^{xxii} 1. So, our typical Leave Supporter, especially in England, is older, in stable accommodation and, if younger, may well come from a lower socio-economic group. At the heart of their narrative is a sense that "English Exceptionalism" – what made England great – is under threat from immigrants. This new tribe fractures communities by refusing to integrate, take jobs and drive down wage rates, occupy what affordable housing exists, "sponge" off welfare services by, for example, having child benefit paid for children in their home country or tying up the country's health service.

How could a great nation of Empire that won the war be so reduced? It must be the fault of those unelected greedy remote non – UK bureaucrats who know nothing of austerity and use hard earned tax revenues from the English to subsidise their luxurious life styles and fund white elephant projects that are scattered around Europe. One such example highlighted by the European Court of Auditors relates to a number of airports built in Estonia, Greece, Italy, Spain and Poland using €666 million of EU grants that the auditors deem "*poor value for money*"^{xxiii}.

Immigration

We have already mentioned that conflicting opinions exist as to how important immigration was as an issue in the Referendum. Equally there is a paradox that areas where the immigrant population is highest, such as in London were generally Citadels of Remain, whilst areas of lower levels of immigrants were more worried about immigration. In a recent comparative study on assimilating immigrants in the UK and Netherlands, immigrants are seen to be more *different* when they fail to speak English as their first language at home, where they fail to have a community of English friends and where their points of socialisation differ from English social norms e.g. meeting in the pub^{xxiv}. Such opportunities to connect have not been helped in places where immigrant groups dominate specific urban areas. Geographic proximity reinforces human tendencies to focus on bonding with like people. For example, around 90% of people identified friendships as being within their own ethnicity^{xxv}. Alike people tend to stick together thereby accentuating feelings of distinctness. Despite all the noise about immigrants threatening jobs, the Swales study found little evidence of this for either of their sample occupations, a bricklayer or an IT worker. However, the importance of paying local tax was seen as important across the

¹ The data employed to study the determinants of voting in the EU referendum were generated by a part of the Essex Continuous Monitoring Survey.

socio-economic spectrum with a slight bias towards lower socio-economic groups – suggesting some support that the more disadvantaged are more likely to brand immigrants as “welfare scroungers”^{xxvi}.

The overall picture painted above, is rather surprising. Civic integration ranks over religion, which in turn ranks over economic considerations. A French immigrant is seen as preferable to a Chinese one who is preferable to a Polish one, but bottom of the pile sit African immigrants, followed by those from the Indian Subcontinent. Anti-Islam bias in a survey found 63% of respondents believe Arabs have not integrated into society, rising to 75% amongst the retired. Leave voters also felt migrant Arabs were not beneficial to the UK / Europe (61%) with less than ten per cent seeing them as a positive influence^{xxvii}. In contrast, 47% of Remain voters thought this group beneficial; an impression that is further reinforced when one compares the results of the European Social Survey in 2002 and 2014. Results shows a significant hardening of attitudes against non-EU immigration rather than immigration from poorer EU countries^{xxviii} although overall negative attitudes towards immigrants seem to have receded since 2017^{xxix}.

Whilst it is unclear how directly correlated the immigration narrative is to the Leave vote, there has been a discernible rise in race related hate crime since the Referendum. Such an increase can be conflated with some finger pointing (e.g. the ‘left behind tribe’) as they believe specific ethnic and racial groups are the reason why those born English cannot find good stable jobs and cannot afford secure housing.

Contrasting hate crime in London in the three months before the EU Referendum and the three months the Metropolitan Police^{xxx} found a 30% increase in reported hate crimes with racist crimes showing the highest rise (34%). Concerns relating to this hate crime rise were later echoed by the United Nation’s Special Rapporteur on Racism^{xxxi}. **Box 1.2** below discussed how this rise in hate crime and associated narrative reverberates from a previous dark age.

Box 1.2 Worrying Echoes from a Darker Age

The English Exceptionalism paradigm is typified by feelings of greatness, a narrative that *in extremis* may assert that Great Britain is great because it is led by the English. The English are Great because they are the true inheritors of the Roman Empire. The children of the Chieftains of the Great Tribes that gave the world wonders such as Stonehenge were subjugated to Roman customs that they then adopted and modified to grow a great “Anglosphere” Civilisation^{xxxii}. Notwithstanding we are reminded that indigenous pre-Roman Britons contained a substantial group of people who did not share the classic white Anglo Saxon genetic characteristics so often associated with being indigenous “English”^{xxxiii}.

This sense of “national exceptionalism” has some disturbing parallels in history. For example, the early Nazi obsession with castles and medieval ceremonies underpinned the Volksgemeinschaft or “people’s community” of the Third Reich. In addition to much needed employment in a depressed country, the German castle and monument renovation program of the early 1930s gave “icons of place” a popular focus of expression of a “heroic Teutonic” tradition^{xxxiv}. A symbolic bonding to a so called heroic age and perceived “German Exceptionalism”.

Another parallel comes from some of the voting groups that supported the Nazi party. Analysis of pro-Nazi voting groups found that support was concentrated amongst the working poor (including self-employed and small shop keepers) and domestic workers and family members helping someone in the household^{xxxv}. Explicitly, they found that the unemployed

and poor workers in Catholic areas where there was some form of social support were not in the main prime Nazi voters.

In summary, a regime partly legitimising itself in the context of historical greatness and a regime supported by the aspiring poor and those at home. How does this contrast with the UKIP and Leave support coming from the “at home” and the aspiring lower middle class or left behind?

Do Remain Supporters Have a Collective Identity?

Remain supporters provide a striking contrast to Leavers. First, they tend to be younger, better educated and working rather than retired. Strikingly, in a study of Labour Remain voter motivations the author found that they held common views to Leave voters on issues such as immigration^{xxxvi}. Arguably, they are more persuaded by economic arguments with data suggesting 95% of Remain voters were persuaded to vote Remain by fear of economic damage^{xxxvii}. The geographic distribution and demographics of the English Remain vote tell a story of younger people in more economically successful and cosmopolitan centres such as London and Manchester voting Remain. By contrast, the Remain vote is much broader in Scotland and more rural in Northern Ireland.

Tribe and Voter Coalition in the Brexit World

The “Leave” and “Remain” narratives are strikingly different. Leave deeply rooted in a sense of “English Exceptionalism,” the protection of the English nation and the metaphorical repelling of foreign invaders. Remain on the other hand, whilst sharing many of the concerns Leaver’s have, are driven by economic concerns.

Maffesoli (1988) found a post-modern word in which groups, tribes as we might call them, form dynamically in relation to peoples self-defined roles, social perception and relation to others. This is a significant change from previous societal arrangements where families and genetic links formed the tribe and the tribe dictated the role of each tribe member. For example, research by Knapton (2015) has found English DNA gene pools have remained relatively stable since the 6th Century AD. This supports the notion of the ancient Saxon Kingdoms as being “tribally” based in the traditional English mean of the Latin *tribus* that is used to describe a group of families and their organisation.

If we turn to an earlier period, we find a more state facing identity represented in the Latin word *civitas*. We gain an insight to *civitas* through Cicero (51BC) who describes this as expressing their common community interest through the institutions of the State. It has been argued elsewhere that the pre-Roman identity of Britain was a *civitas* one, where groups of people identified with a central regional authority focused on *oppida* or regional capitals (Moore, 2011; Cunliffe, 2005).

In one model (*tribus*) we have common genetic bond (English Exceptionalism) and in the other model (*civitas*) we have a common social bond focused on a common perception of governance issues and from Maffesoli (*op cit*) we gain a sense that post-modern *tribus* or tribes are formed via self-identification rather than genetic links; although as we have seen there are distinct DNA gene pool differences in different English regions.

Arguably Leave voters could be grouped into a Maffesoli post-modern tribe, whilst Remain voters (living in conurbations, younger and more mobile so paradoxically being more DNA mixed) have a tendency to group via *civitas* or state expression of their collective will. The latter is

likely to have been reinforced by this group – having been on the “winning side” – economically in terms of jobs, status and career paths over some considerable time, most likely since the late 1970s.

No wonder the two groups are so divided and find communicating difficult, if not almost impossible. Not only are these groups divided, but a 2017 study on attitudes showed these divides between Leavers and Remainers are hardening (Phillips et al., 2018).

Today’s Pre-Brexit World

The Britain of 2018 is very different from the Britain of 1950, from the Britain of 1975 and arguably from the Britain of 2000. In 1950 households were still facing food rationing (which continued until 1954), young people were still conscripted into National Service (this ended in 1960), television had one channel that was only available in select regions (the first “national” TV event is generally considered (BBC, 2018) to be the 1953 Coronation) and the UK was just starting to divest itself of Empire. By 1975 the UK had seen the “swinging sixties”, Beatle mania, the 1973 oil crisis, the British Leyland debacle and its association with union activist such as “Red Robo”, a three-day week and fall of a government during a miners strike and was on the threshold of another balance of payments crisis that this time would see the IMF being called in.

Roll forward a further 25 years to 2000 and the UK had been through a massive economic restructuring as traditional industries faded away in the 1980s, the cold war was over, London had developed into a global financial hub, union power had become a shadow of its former self and the years of “Cool Britannia” were setting in. As Britain crossed into the new millennium memories of 1950s food rationing had faded as consumerism took hold. An economic and cultural journey that spanned 50 years saw living standards rising. In the first half of the period these rose as real wages rose, in the second half these improvements in wealth tended to come from steep house price increases as many traditional well-paid jobs disappeared. Wealth generation for the many moved from earned wealth accumulation to wealth based upon rising asset values, especially rising house prices (see **Box 1.3**).

Box 1.3 An Englishman’s Castle or a Pot of Gold?

UK Residential housing prices have risen as a multiple of average wages for many years. Much of today’s narrative has been focused on these prices being due to restrictive planning Laws. The huge difference in land valuations between agricultural and building land are evidence of a distorted land market, and associated restrictions to new housing supply. Less attention has been paid to market distortions on the “demand side” due to post 1970 changes in financial regulation.

Financial liberalisations and deregulation starting with the publication of “Competition and Credit Control” in 1971 (Bank of England, 1971) and the reforms of the 1980s have had a critical effect on housing finance and by implication house prices. Deregulation led enabled commercial bank lending into the residential mortgage market when it had been essentially non-existent in 1970. Within a few years, addition providers had entered the market as Barclays and Midland (now HSBC) banks entered the market, with Lloyds TSB joining the market in the 1980s (Bowen et al., 1999). The sums lent by these institutions have been and continue to be substantial and when substantial additional funds enter a market (as a result of new providers and increases in lending multiple of income), without matching increase in supply, prices rise.

The scale of the change is substantial. From a position of nearly nil commercial bank lending to the residential mortgage market in 1970. Mortgage assets are now substantial business for banks being estimated in 2014 at around £800 billion or over 60% of their retail assets (CMA, 2016). Analysing the impact on house prices over the long term, Muellbauer et al (1997:1701) state *“Theory suggests that financial liberalisation of mortgage markets in the 1980s should have led to notable shifts in house price behaviour. The evidence supports the predictions of theory, suggesting shifts took place in wealth effects, as in the consumption function, and that real interest rates and income expectations became more important.”*

This strong rise in house prices, associated with insufficient new build, vast net lending flows and relaxations in the loan income ratios have led to houses being unaffordable for many younger people on average or (especially in London) on above average incomes. As prices have risen home ownership levels have started to fall as affordability challenges for younger people with no inherited wealth from “the bank of mum and dad”. For the 16 to 34-year-old age group ownership declined from 54% in 1996, to 34% in 2016 (Barton, 2017). At the same time, real wages have stagnated making wage based capital accumulation more challenging.

The change in home ownership trends indicates that house prices are out of line with incomes and when house prices out of line with incomes there can be financial instability (Sufi and Mian, 2014). It is to be assumed that the market will, at some point, force adjustment by reducing asset (for example house) prices until they align with cash flows supporting them. This happened in 2008 in the USA, Spain and Ireland. It did not happen in the UK largely because of Government intervention that raised the public deficit significantly as a percentage to GDP and subsidised overall economic demand to keep people in jobs. This combined with ultra-low interest rates, state pressure for lender forbearance, activist monetary policy to support residential mortgage lending and an active Help to Buy subsidy scheme averted a UK house price crash.

The 2007 / 2008 financial crash represented a sharp shock. For some, it was the sight of depositor queues outside Northern Rock offices, for others it was the fear of losing the job and for many young people it was the difficulty of finding any job, let alone one with prospects and rising real wages. In 2018 and the certainties of these earlier ages are for some, especially the young, following the 2008 financial crash a distant memory. Young people sometimes termed “millennials” (those born in the twenty years from 1980) facing relatively poorer earnings than their predecessors and difficulties joining the housing ladder are the first generation in living memory who are likely to be poorer than their parents (Intergenerational Commission, 2018). Zero-hours contracts that lock the employee to a company – but do not guarantee a weekly wage – are stubbornly persistent notwithstanding recovery from the 2008 cash. Welfare for those in work has been squeezed whilst non-working pensioners have been protected from austerity by a pension triple lock. These changes represent a break in continuity as we discuss in **Box 1.4** below.

Box 1.4 Austerity to Cool Britannia and Back to Austerity

How things have changed. In 1950 families were still subject to food rationing as Britain continued to struggle to recover and rebuild from the war years. Austerity was combined with rebuilding traditional industries, employees in the main expected career routes with the same employer and the challenges were to rebuild. Things eased in the 1960s with a “Swinging Decade” of the Beatles, cultural liberalisation and expectations of a “white hot” technological revolution. By the mid-1970s optimism had faded as the first energy crisis and union unrest dented confidence. Unemployment and inflation rose, leading to the sharp structural adjustment of the 1980s as Mrs Thatcher’s government let whole industries such a mining and

steel go through large scale restructurings. Yet for many living standards rose as the bonus from North Sea Oil helped free the UK's notorious balance of payments constraint and housing wealth started to grow for both existing owner occupiers and those who purchased former public housing at a discount.

By the late 1990s, after a painful recession, Tony Blair's Labour government was viewed by some as young, equable and very appealing; the term 'Cool Britannia' was, for a time, seen as the main driving force behind a feeling of euphoria and optimism in Britain. In an interview for the *Independent* newspaper, Smith acknowledged that Cool Britannia was the Spice Girls, *The Full Monty* and London's Soho on a Saturday night; but it could also be a form of post-industrial capitalism that combined hard-nosed profits with a fuller recognition of the human creativity on which they hinged.

The wheel of fortune turned again in 2007/2008 as the Global Financial Crisis took hold. Banks toppled, uncertainty came, the public deficit ballooned and by 2011 the narrative was once again about public austerity.

Post 2008, the UK finds itself in a more uncertain world, with power seeming to shift from the United States to a resurgent China; real wages have stagnated. Many young people face the twin challenges of finding affordable long-term housing and stable well rewarded employment. At the same time these certainties have been challenged, mass adoption of social media has opened the door to more fluid social groupings. It is unsurprising then that Brexit for many should represent a siren call for a return to stability (by taking back control) and a belief that success can only be regained by shaking up and replacing old compromised structures.

Promenade I: Criteria for Measuring Success

The June 2016 EU Referendum Leave result synthesised two very different aspirations. If we assume that most "Remainers" will continue to anticipate Brexit stresses, we need to look at "Leaver" aspirations to establish how we should measure whether Brexit is a success or not. Here we return to some dominant themes from this chapter as we assume that most people are less than excited by the minutia of regulatory directives, European Court Advocate General reasonings or any of the many other technical parts of the operations of modern states and super states. Rather we believe it is the "big picture" items (that are confirmed by the detail of day to day life) that drive views and opinions.

For the Leaver, we have seen a dominant desire to reassert English Exceptionalism. A key feature of this includes a desire to recover a sense of "greatness" that has nostalgic roots in the folk memories of the British Empire, encapsulated in Churchill's famous 4 June 1940 speech to the House of Commons:

"we shall prove ourselves once again able to defend our island home, to ride out the storm of war, and to outlive the menace of tyranny, if necessary for years, if necessary alone. ... We shall go on to the end ... we shall defend our island, whatever the cost may be. We shall fight on the beaches... we shall never surrender... our Empire beyond the seas, armed and guarded by the British Fleet, would carry on the struggle, until, in God's good time, the new world, with all its power and might, steps forth to the rescue and the liberation of the old."

(Churchill, 1940).

The same speech has a second resonance to some of today's headlines such as the "Enemies of the People"^{xxxviii} in its passage on the "enemy within".

"We have found it necessary to take measures of increasing stringency, not only against enemy aliens and suspicious characters of other nationalities, but also against British subjects who may become a danger or a nuisance should the war be transported to the United Kingdom. ... Parliament has given us the powers to put down Fifth Column activities with a strong hand, ... until we are satisfied, and more than satisfied, that this malignancy in our midst has been effectively stamped out." (Churchill, 1940)

The second theme is economic, a narrative of hope for the left behind, often white working-class males who face challenges in the labour and housing markets and may feel a sense of exclusion from their own native land. English Exceptionalism is in many senses nostalgic and is reflected in the marked skewing of the "Leave Vote" to older generations whilst the economic narrative is skewed towards regions of the "left behind". From these two narratives, we can set two key criteria by which a Leave Voter can assess if "Brexit Works".

The first success criterion is nationalistic and has two components that mirror each other. Internally within the UK, English Exceptionalists will want to see an end of the "tail wagging the dog" where ethnic minorities and devolved nations are seen to "game the system" against the English and then make the English pay for the benefits they receive. Externally there is a demand that Europeans and especially France and Germany respect the UK as "senior partner" in any arrangement, as other nations only have their liberty as a result of the British blood and resolve that has been shed to defend them, especially during the second world war.

The second success criterion for a Leave voter, especially a "left behind" Leave Voter will assess Brexit by will be are they better off financially (as they have stopped paying taxes to Brussels) and now we have regained control of the UK's finances will the National Health Service and Adult Social Care be perceived as fully funded.